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File No. O.L.A. Loans/42

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Legal DEPARTMENT

A BRANCH

Subject:—

Opinions under the

Local Authorities

Loans Act, 1887

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Std. Sectt. Slip 24 B a.

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1.	Gn. No. 361 14/1/ 1942.	Rates of Loans Sanction to any legitimate deviation from the terms of the orgifinal sanction no legal objection to Govt. according ———	1.

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Office of the R. L.A.

In additions to the insertion of the clause permitting earlier payment Viz. after the expiry of 10 years or 20 years at the convenience of the Municipality, the tender frams forms at pages 85-87 show that the issued rates of the loans were fixed at Rs. 94 and Rs. 90 respectively although the re-payment was to be made at the full face value of Rs. 100. These issue prices will indirectly modify the rate of interest ~~xxxx~~ sanctioned. General Department may therefore verify whether the terms and conditions of the sanctions accorded by Government Resolutions, General Department No. ~~XXX~~ 359 dated 19th November 1931 and No. 6693 dated 5th February 1932 have subsequently been modified.

2. There will be no legal objection to Government according its sanction to any legitimate deviation from the terms of the original sanction (of R.L.A's U.O R. to G. D. No. 8852 dated 10th October 1941).

3. In view of the actual terms of the tender froms (copies at pages 55-58 and again at 85-87 ante) the dates of repayment are specifically fixed in 1942, 1952 or 1962 and the view taken by General Department in para 3 at page 61-62 that the amounts can be repaid at <u>any time</u> after 10 years, is not correct.

sd/- P.N.M.

Remembrancer of Legal Affairs.

U.O. to to G.D. No. 361 dated the 14th January 1943.

MMR.
1/5